

Message Text

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15

ACTION AGR-10

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-07 COME-00 OMB-01

TRSE-00 CIAE-00 INR-07 NSAE-00 RSC-01 STR-04 /053 W
----- 022257

P R 110850Z DEC 74

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC PRIORITY 2160

INFO AMEMBASSY BEIRUT

AMCONSUL ROTTERDAM

UNCLAS DAMASCUS 2947

PASS AGRICULTURE

AGRICULTURE ALSO FOR DONALD E. BROCK, OFFICE
OF SEC. BUTZ

BEIRUT FOR AGATT PITCHER

E.O. 11652: N/A

TAGS: BBAK, BEXP, BAGR, SY

SUBJ: SYRIAN SOYBEAN TENDER: SARG REQUEST INFO. ON U.S.
FIRM

1. SUMMARY. U.S. FIRM PROVISIONALLY AWARDED \$2.65 MILLION
CONTRACT FOR SOYBEAN MEAL, BUT SYRIAN GOVERNMENT PURCHASING
DEPARTMENT SUBSEQUENTLY CONCERNED RE PERFORMANCE ABILITY
AND REPUTATION OF FIRM. GIVEN SECRETARY BUTZ' EARLY NOVEMBER
EMPHASIS WHILE IN SYRIA ON ABILITY U.S. SOYBEAN MEAL PRODUC-
TION TO MEET RAPIDLY GROWING SYRIAN NEEDS, WE NEED
URGENT RESPONSE TO QUESTIONS RAISED BELOW. END SUMMARY.

2. DR. AMIN TAFRAN, DIR. GEN., FEEDS AND FODDER DEPT.,
SYRIAN MINISTRY OF AGRICULTURE, HAS REQUESTED URGENT EMBASSY
ASSISTANCE RE AWARD OF SYRIAN GOVERNMENT CONTRACT FOR 10,000
M.T. SOYBEAN MEAL, VALUED AT \$2,650,000, TO U.S. FIRM
INTERNATIONAL PROTEIN CORPORATION (IPC), 123 FAIRFIELD,
NEW JERSEY, 07006 (TELEPHONES NEW JERSEY 201/227-2710, NEW
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YORK 212/267.0077), PRESIDENT PIERRE PETROU. IPC REPORTEDLY

REPRESENTED BY WILLIAM I. DAMMOUS, POULTRY IMPROVEMENT CO., P.O. B. 7359, BEIRUT (TEL. 384.377), BUT PETROU INFORMED DR. TAFRAN THAT DAMMOUS HAS NO POWER TO SIGN CONTRACT UNTIL PETROU HAD REVIEWED IT PERSONALLY. TAFRAN THEN PROVIDED COPY OF CONTRACT TO DAMMOUS DEC. 9 AND DAMMOUS SUPPOSEDLY NOW IN U.S.

3. WHILE IPC ORIGINALLY PUT UP BID BOND OF \$80,000, UNDER TERMS OF TENDER FIVE PERCENT MUST BE PUT UP (\$132,500) PRIOR TO SYRIAN ISSUANCE OF L/C BY FEEDS AND FODDER DEPT. DR. TAFRAN CABLED IPC NOV. 28 RE WINNING BID AND REQUESTED BID BOND. NO REPLY YET RECEIVED.

4. DR. TAFRAN SHOWED ECONOFF REUTER COMMODITY TICKER NO. 2131 DATELINED FAIRFIELD, NEW JERSEY, NOV. 29, WHICH REPORTED IPC SUSPENSION OF PAYMENTS TO ANIMAL FEEDS INTERNATIONAL CORPORATION OF ROTTERDAM, "A LOCAL DIVISION OF IPC'S EUROPEAN SUBSIDIARY," BECAUSE OF IRREGULAR ACTIVITIES OF THIS FIRM. TAFRAN CONCERNED THAT IPC MAY BE IN FINANCIAL TROUBLE AND CANNOT MEET TERMS OF CONTRACT WHICH EXTREMELY IMPORTANT TO SYRIAN GOVERNMENT AS AMOUNT IS HALF OF SYRIA'S GROWING SOYBEAN REQUIREMENTS, ACCORDING TO TAFRAN.

5. DR. TAFRAN HAS REQUESTED FOLLOWING ASSISTANCE:

A. EMBASSY PROVIDE REPORT ON REPUTATION AND BONA FIDES OF INTERNATIONAL PROTEIN CORPORATION AND WHETHER ROTTERDAM AFFAIR HAS HURT IPC'S ABILITY TO MEET TENDER/ CONTRACT CONDITIONS.

B. STATE OR AGRICULTURE TO REQUEST PETROU OF IPC TO CABLE TAFRAN SOONEST RE BID BOND AND CONTRACT SIGNATURE (WHERE AND WHEN).

C. DOES U.S. EXPORTER SUCH AS IPC STILL NEED USG APPROVAL FOR EXPORT OF SOYBEAN MEAL AND IF SO, WILL THIS REQUIREMENT CAUSE DELAY IN CONTRACT SIGNATURE AND SHIPMENT DATE?

6. COMMENT. STATE AND AGRICULTURE WILL RECALL THAT SECRETARY BUTZ PUT CONSIDERABLE EMPHASIS ON AMERICAN SOYBEAN MEAL EXPORTS UNCLASSIFIED

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TO MEET RAPIDLY GROWING SYRIAN DEMAND DURING HIS EARLY NOVEMBER MEETINGS IN DAMASCUS WITH DEPUTY PM, AGR MIN AND OTHER SYRIAN MINISTERS (DAMASCUS 2693). WITH AN AMERICAN FIRM NOW IN POSITION TO SUPPLY AT LEAST HALF SYRIA'S REQUIREMENTS, WE AND SYRIANS WOULD BE EXTREMELY DISAPPOINTED TO DISCOVER FIRM COULD NOT PERFORM AS PROMISED.

7. ACTION REQUESTED: APPRECIATE STATE OR AGRICULTURE

PROVIDING US REPORT SOONEST RE POINTS RAISED BY TAFRAN IN
PARA. 5, ABOVE.
MURPHY

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Disposition Event:
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